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Report Highlights:

Commerce Minister: U.S. must accept our views on farming, *Grain import procedures to be eased*, *Traces of GM corn in imported chips, finds greenpeace*, *Bt brinjal debate on boil*, *Regulatory concerns, high realty prices continue to dog retail sector*, *Mumbai is world's 7th largest billionaire city, says Forbes*, *FMC suspends futures trade in four commodities*, *Indian edible oil firms head for Latin America*.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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COMMERCE MINISTER: U.S. MUST ACCEPT OUR VIEWS ON FARMING

India and the U.S. will try to resolve differences in the ongoing WTO negotiations on agriculture and industrial products during a meeting in New York later this month. Speaking to the media, Commerce Minister Nath said, "We hope the U.S. will comprehend India's sensitivities towards agriculture and the small scale industries." He said the G-20 group of developing countries in agriculture, of which India is a member, already met in Ghana last month in a meeting organized by UNCTAD and discussed the likely comments of the draft modalities in agriculture. With the U.S. presidential elections round the corner, the Minister said there might not be much time left for trade negotiators. (Source: Economic Times, 05/03/08)

GRAIN IMPORT PROCEDURES TO BE EASED

A committee of secretaries, comprising secretaries from the Ministries of Finance, Commerce, and Food, headed by the Cabinet Secretary, met on May 2, 2008, to revise tender procedures for all international purchases in the commodities market while devising a system where time taken to float a tender and its final procurement will drastically come down. The secretaries' panel was set up in the wake of a shortage of food grain in the country and skyrocketing international prices in the international market when India decided to import wheat. The wheat import controversy not only became a political issue but finally led to the Central Vigilance Commission initiating an inquiry to look into flaws of the procurement system. "It is in the draft stage and detailed revised guidelines on international purchases will be finalized next week," a source said. (Source: Times of India, 05/03/08)

TRACES OF GM CORN IN IMPORTED CHIPS, FINDS GREENPEACE

Despite government laws restricting the manufacture and importation of GM food without permission, Greenpeace found traces of GM corn in a brand of imported chips. Tests conducted on products picked from a supermarket in Delhi revealed that Pepsico's Doritos Corn Chips contain GM corn ingredients. Pepsico spokesperson said that while Dorito's is a Pepsico brand, the product in question is not manufactured or imported by the company, nor authorized others to import into India. The government has not given permission for imports and sale of any GM food except refined soyoil from Roundup Ready Soybeans. (Source: Indian Express 05/03/08)

BT BRINJAL DEBATE ON BOIL

The Coalition for GM free India organized a protest in Delhi attended by some celebrities, political and farm leaders, demanding a total ban on genetically modified crops and foods. The protest comes at the time when Indian regulators are considering approval of Bt brinjal (eggplant) as field trials enter the final stage. However, the government says it will not reject GM crops that clear the prescribed tests. Dr. Mangala Rai, Secretary Department of

Agriculture Research and Education said "'Risk assessed GM crops are good. GM crops can increase stagnating yields of food crops and answer the concerns about India's food security.'" (Source: Hindustan Times 05/04/08)

REGULATORY CONCERNS, HIGH REALTY PRICES CONTINUE TO DOG RETAIL SECTOR

The \$400 billion Indian retail industry continues to face challenges in the area of licenses, clearances and taxation, and real estate prices. Real estate prices have shot up in the last three-four years, requiring significantly higher investments as retailers expand their footprints in the country. According to the CEO of the Retailers' Association of India, retailers continue to face regulatory challenges in expending retail operations to a new state; licenses and clearances, and taxation issues. Representatives of the association will be discussing these issues with the government soon. (Source: The Business Line, 05/07/08)

MUMBAI IS WORLD'S 7TH LARGEST BILLIONAIRE CITY, SAYS FORBES

According to Forbes, India's financial capital Mumbai is the world's largest city in terms of billionaire population. Additionally, Mumbai ranks on the top of all the ten cities in terms of average wealth of the resident billionaires. Moscow houses the largest number of billionaires (74) with an average net worth of \$5.9 billion while Mumbai boasts of 20 billionaires with an average worth of \$7.6 billion. Mumbai is ranked seventh ahead of San Francisco, Dallas and Tokyo, according to the list of top cities for billionaires. (Source: The Times of India, 05/07/08)

FMC SUSPENDS FUTURES TRADE IN FOUR COMMODITIES

Following instructions from the government, the Forward Market Commission (FMC) suspended futures trading in potato, soy oil, chana (chickpea) and rubber until September 06, 2008. The decision has been taken as a measure of abundant caution considering the concerns of the government about inflationary expectations. Inflation based on the wholesale price index (WPI) touched 7.57 percent for the week ended April 19, the highest in over three years. However, as per data available on the FMC website, these four commodities account for a trading volume valued at nearly Rs 150 billion every month (Rs 6 billion daily) out of the total volume estimated at Rs 1,640 billion. According to the data, during April 1-14, soybean oil made up over Rs 30 billion and chana Rs 43 billion. Trading in rubber and potato futures were minimal. Around 20 percent of NCDEX turnover comes from the suspended commodities, which makes up 80 percent of the total Agri-futures trade. Volume of trade in chana and soy oil in March was Rs 325 billion. (Source: Business Standard, 05/08/08 and Business Line, 05/09/08)

INDIAN EDIBLE OIL FIRMS HEAD FOR LATIN AMERICA

About 14 producers of vegetable oil, including Gujarat Ambuja, KS Oils, Liberty Oil, Pranab Agro and Betul Oil, have formed a consortium to acquire 10,000 ha of farmland in Uruguay and Paraguay to cultivate soybeans, maize and sunflower. "There are 4 to 5 major Indian companies keen to participate and become either partners or just buy for holdings," said Martin Pablo, a representative from Southern Land Co, Ireland Inc, the company which is leasing and selling land to Indian companies. The price of farmland was around \$3,000 per hectare. The land is fertile, has enough rain and the yield of the soybean crop is at 3,000 Kg per hectare giving a good opportunity for Indian companies to outsource their resources. Farmlands will be purchased by individual companies; the consortium will be an umbrella organization for resolving issues. (Source: The Financial Express, 05/03/08)

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REPORT #	SUBJECT	DATE SUBMITTED
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